

1 Honorable Robert S. Lasnik
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UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

9 NATIONAL PRODUCTS, INC.,

Case No. 2:12-cv-840-RSL

10 Plaintiff,

11 v.

12 GAMBER-JOHNSON LLC,

13 Defendant.

**STIPULATED MOTION AND ORDER TO
STAY ACTION PENDING
PROCEEDINGS BEFORE
THE UNITED STATES PATENT AND
TRADEMARK OFFICE**

NOTE ON MOTION CALENDAR:
Thursday, November 8, 2012

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16 **I. INTRODUCTION**

17 Plaintiff National Products, Inc. (“NPI”) and Defendant Gamber-Johnson LLC
18 (“Gamber-Johnson”) respectfully stipulate and move to stay this action pending resolution of
19 the *inter partes* reexamination of U.S. Patent No. 8,179,672 (“the ’672 patent”) by the United
20 States Patent and Trademark Office (“PTO”). Gamber-Johnson has maintained that a stay in
21 this case is appropriate based on its request for and the PTO’s grant of an *inter partes*
22 reexamination of the ’672 patent. NPI agrees that a stay is now appropriate based on more
23 recent actions at the PTO. First, NPI recently amended or cancelled claims 1-33 of the ’672
24 patent in response to the office action in the *inter partes* reexamination. Second, the PTO
25 recently granted a request to conduct an *ex parte* reexamination of claims 34 and 35 of the
26 ’672 patent. Accordingly, a stay will promote efficiency and preserve judicial resources

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1 because the asserted patent claims in this action are now unlikely to survive the
 2 reexaminations in their current forms as set out in the Complaint.

3 **II. FACTUAL BACKGROUND**

4 NPI and Gamber-Johnson design, produce, and sell a variety of mounting devices for
 5 use in or on cars, boats, planes, and other vehicles. On May 15, 2012, the PTO issued to NPI
 6 the '672 patent, which is directed to a portable electronics (e.g., laptops) mounting device
 7 designed for use in vehicles. Dkt. No. 1, Complaint at ¶ 8, Ex. A. That same day, NPI
 8 brought this action against Gamber-Johnson alleging infringement of the '672 patent. *See id.*
 9 Gamber-Johnson has denied these allegations and has filed counterclaims, *inter alia*, seeking
 10 a declaration that the '672 patent is invalid.

11 On May 17, 2012, Gamber-Johnson's sister company, L&P Property Management
 12 Co., filed an *inter partes* request for reexamination of the '672 patent with the PTO; two
 13 weeks later, Gamber-Johnson moved the Court to stay this Action pending final resolution of
 14 the *inter partes* reexamination. Dkt. No. 10, Motion to Stay Proceedings Pending
 15 Reexamination of the '672 Patent, at 2. On June 21, 2012, the PTO granted the request for
 16 claims 1 through 33 but declined to reexamine claims 34 and 35 of the '672 patent. Dkt. No.
 17 23, Declaration of Mark S. Parris in Support of Notice of Reexamination Status, Ex. 8. On
 18 August 14, 2012, the Court denied Gamber-Johnson's motion to stay, in part finding that "the
 19 PTO's refusal to reexamine claims 34 and 35, the parties' litigation history, and the lengthy
 20 period of delay caused by reexamination would prejudice plaintiff if a stay were granted."
 21 Dkt. No. 28, Order Denying Motion to Stay, at 5.

22 Recent developments at the PTO now support a stay in this case. Claims 1-33 of the
 23 '672 patent were amended or cancelled in response to an office action in the *inter partes*
 24 reexamination. L&P Property Management Co. also filed a second reexamination request,
 25 this time for the *ex parte* reexamination of claims 34 and 35 of the '672 patent, which the
 26 PTO granted on October 26, 2012. Given these developments, NPI now agrees that a stay in

1 this litigation is warranted at the present time.

2 **III. ARGUMENT**

3 The Court has broad discretion to manage its docket, including the inherent power to
 4 grant a stay pending a PTO reexamination. *Proctor & Gamble Co. v. Kraft Foods Global,*
 5 *Inc.*, 549 F.3d 842, 849 (Fed. Cir. 2008). In determining whether to grant a stay pending
 6 reexamination, the court considers: (1) whether a stay will simplify the issues in question and
 7 the trial of the case, (2) whether discovery is complete and whether a trial date has already
 8 been set, and (3) whether a stay will unduly prejudice or present a clear tactical disadvantage
 9 to the non-moving party. *Pac. Bioscience Labs., Inc. v. Pretika Corp.*, 760 F. Supp. 2d 1061,
 10 1063 (W.D. Wash. 2011).

11 At this time, all three factors support a stay. A stay will simplify the issues in question
 12 and preserve judicial resources because we now know that most of the asserted claims of the
 13 '672 patent will not survive the reexamination unchanged. Thus, litigation of these claims as
 14 they now exist would waste both the Court's and the parties' time and resources. Also,
 15 discovery is in its infancy. The parties have not served their initial contentions or commenced
 16 full discovery including the production of documents, depositions of witnesses, or answering
 17 interrogatories. While a trial date has been set, it is not scheduled until April 1, 2014. Dkt.
 18 No. 39, Minute Order Setting Trial Date & Related Dates, at 1. Nor will a stay unduly
 19 prejudice or present a clear tactical disadvantage to the non-moving party because both parties
 20 stipulate to the stay.

21 **IV. CONCLUSION**

22 For these reasons, NPI and Gamber-Johnson respectfully request that the court stay
 23 this litigation pending resolution of the *inter partes* reexamination of U.S. Patent No.
 24 8,179,672, and that the parties be required to file a joint status report every six months to
 25 update the Court regarding the ongoing reexamination proceedings.

1 Date: November 8, 2012

Respectfully submitted,

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ORDER

This matter is before the Court on the Stipulated Motion to Stay Action Pending Proceedings before the United States Patent and Trademark Office. After reviewing the motion and declaration in support thereof, this Court finds that a stay is warranted. A stay will simplify the issues in question and the trial of the case, discovery is still in the early stages, and neither party is prejudiced or is presented with a tactical disadvantage if a stay is ordered. **IT IS HEREBY ORDERED THAT:**

This action is stayed pending resolution of the *inter partes* reexamination of U.S. Patent No. 8,179,672. The parties will file a joint status report every six months from this date, updating the Court on the reexamination proceedings before the United States Patent and Trademark Office. The Court will consider motions to lift the stay, if warranted.

Dated this 9th day of November, 2012.

Hon. Robert S. Lasnik
Hon. Robert S. Lasnik
United States District Judge